

## Overview and Scrutiny Committee

Minutes of a Meeting of the Overview and Scrutiny Committee held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **27<sup>th</sup> January 2015**.

### Present:

Cllr. Chilton (Chairman);  
Cllr. Davison (Vice-Chairman);

Cllrs. Bartlett, Burgess, Feacey, Hodgkinson, Mrs Hutchinson, Miss Martin, Mrs Martin, Mortimer, Sims, Yeo.

### Apologies:

Cllrs. Adby, Apps.

### Also Present:

Cllr. Galpin (Portfolio Holder for Finance, Budget and Resource Management),  
Cllr. Shorter (Portfolio Holder for Town Centre Focus and Commercial Property).

Head of Community & Housing, Head of Finance, Head of Development Delivery,  
Principal Solicitor for Property & Projects, Senior Scrutiny Officer, Member Services  
& Scrutiny Support Officer.

## 327 Declarations of Interest

Councillor	Interest	Minute No.
Chilton	Made a 'Voluntary Announcement' as he was a Trustee of the Volunteers Bureau.	
Feacey	Made a 'Voluntary Announcement' as he was the Chairman of the Ashford Volunteers Bureau	
	And	
	Made a 'Voluntary Announcement' as he was an observer on the Trading & Enterprise Board.	330
Hodgkinson	Made a 'Voluntary Announcement' as she was a Council Tenant and was registered for receipt of Housing Benefits.	329

## 328 Minutes

### Resolved:

**That the Minutes of the Meeting of this Committee held on the 16<sup>th</sup> December 2014 be approved and confirmed as a correct record.**

## 329 Report of Budget Scrutiny Task Group

The Chairman opened up this item for discussion and the following questions/points were raised:

- One Member questioned the decision to increase rents by 2.2% which was substantially ahead of the current inflation rate. The Head of Finance responded that the figure of 2.2% was derived from the Government's rent setting formula. This was not a statutory calculation, but was guidance issued by the Government. Tenants who were affected by the rent increase would be recompensed through their Housing Benefits payments. The Head of Finance clarified that the figure of 2.2% had been used as an assumption through most of the last financial year, and was not a recent increase.
- In response to a question regarding the number of residents on Benefits, the Head of Finance advised that the overall Benefits caseload had fallen over the last few months.
- A Member pointed out an anomaly in the report on page 5. The table cited risk under point 7.3 as High Materiality, but the related text on page 12 stated it was Medium Materiality. The Chairman and Head of Finance agreed that the text was correct and point 7.3 should be in the Medium Materiality category.
- In response to a question regarding the Government funding for transition to Individual Electoral Registration, the Principal Solicitor advised that the first phase of the transition had resulted in an 83% match with DWP data. With such a successful start, it was likely that the funding would be sufficient for the work required to move the remaining 17% across to the new system. She confirmed that the Council aim was to achieve 100% transfer.
- One Member asked whether the garden waste budget target was based on a new figure or the original number of residents who signed up. The Head of Finance responded that a budget monitoring report had been submitted to Cabinet in February, with no variance reported. The Council would inevitably lose some customers who would not renew their annual contract, but the Council were currently pushing for residents to sign up to direct debits and the response rate was nearly 40% so far. The budget target was partly based on levels achieved so far and current trends. There was a cap on the numbers budgeted for and if the cap were exceeded it would be necessary to promote the service more actively to justify the extra costs.

- In response to a question about capping Council Tax, the Head of Finance said that if Council Tax were raised over 2% the Council would be required to hold a referendum. At present the Council had chosen to freeze Council Tax, but it would not be possible for the Council to implement a large increase in the Tax in forthcoming years to catch up with inflation without the required referendum. The Portfolio Holder for Finance, Budget and Resource Management said this was a political decision to be made by whatever administration was in power at the time, but it was unlikely that there would either be an enormous increase or an indefinite freeze.

**Recommended:**

**That the Cabinet:-**

- 1. Be advised that the O&S Committee regards the Council's draft 2015/16 budget as achievable;**
- 2. Endorses the Risk Matrices and the risks identified within them, particularly noting those that fall in the shaded part of the matrix.**

### **330 Update and progress report on ABC Commercial companies and the O&S Call-in recommendations**

The Chairman opened up this item for discussion and the following questions/points were raised:

- One Member raised concerns about the role of the ABC property company and whether it was properly protecting the Council from the risks associated with owning commercial properties. He said most commercial property ventures set up limited companies to protect against uninsured losses. He questioned whether International House was included within the ABC property company portfolio, and said that it should be included in order to protect the Council from risk. The Principal Solicitor responded that International House was not part of the property company portfolio. The Head of Finance explained that the proposed purchase had been reported to Members prior to it taking place. He said that this property was intended to provide an income stream for the Council and that the Council benefitted from a tax point of view by keeping the property separate from the ABC property company portfolio. He assured Members that the building had been insured from day one of its purchase. Several Members expressed concern about the risks relating to International House, citing the cladding in particular as an example. They considered it was important that a report should be submitted to the February Meeting to address their concerns. The Portfolio Holder for Town Centre Focus and Commercial Property said that he understood Members' concerns, but that all risks had been considered under due diligence prior to purchase of the property, which was considered risk acceptable. One Member said that she felt Members were not in a position to understand the details of property management and she reiterated the need for a report to be provided to the Committee in February to clarify the extent to which the Council was covered

in relation to risks posed by International House. The Portfolio Holder for Town Centre Focus and Commercial Property responded that according to his recollection a risk assessment for cladding was presented to the Committee prior to acquisition of the building, and that professional advice had been sought.

- One Member questioned whether extra staff were likely to be required for either company. The Head of Community and Housing advised that would depend on how quickly the property company expanded but at the moment the staff were coping with the workload and there were no plans to employ anybody else directly. The Head of Development Delivery said that due to the growth in the business of the ABC building company, additional resources may be needed in due course, but that was a speculative judgement at present.
- A Member noted that houses bought under the property company were not subject to Right To Buy. He questioned whether it would be possible for the company to purchase properties already owned by the Council. The Principal Solicitor responded that that would only happen at full market value, and would have to be subject to a full Council decision. At present there was no suggestion of pursuing that idea. She was aware that other councils had employed a similar scheme in relation to land acquisition, but was not aware that it had taken place in relation to housing.
- In response to a question about progress on becoming an Approved Inspector, the Head of Development Delivery advised that this was a lengthy process. He was working on the application at the moment, and hoped to submit it within the next month. He said staff already had the necessary qualifications, but the lengthy application process had to be followed. When asked about the reason for pursuing Approved Inspector status, the Head of Development Delivery explained that it would allow the team to compete for work outside the Borough. Currently residents of the Borough could use any approved private building control inspector for any development work. Members expressed confidence in the ABC Building Control Team, and were concerned that where other inspectors were used for new developments, the quality of the work might not be satisfactory. They were eager for the in-house team to gain as much work as possible within the Borough and some even felt that it should be compulsory for developers to use the in-house team for any work in the Borough.
- A Member asked about the future use of purchased properties. The Head of Community and Housing responded that at the moment properties held within the property company were rented out at just less than market rent, but future purchases would be advertised at full market rate, and would be available to anyone from the community. She said homelessness numbers were low at the moment due to the success of the Christchurch Road project.
- A Member commented on the importance of apprenticeships. The Head of Development Delivery said the team currently had an apprentice in place, who added value to the service, and who would be taking the route to a full qualification.

**Resolved:**

**That the report be noted.**

### **331 Future Reviews and Report Tracker**

Items for February:

- ABC Business Plan Performance Report Q3 2014-15
- Purchase of Commercial Property
- Annual Review of Community Safety Partnership

Members were keen that the report on the Purchase of Commercial Property should not be deferred from the February meeting for any reason. The Chairman advised Members that, once they had received the agenda, if they had any specific questions on that report, they should email them to the Strategic Housing and Property Manager in time to allow him to prepare answers for the meeting.

The Chairman reminded Members that there would be no meeting in April due to pressure of elections work.

**Resolved:**

**That the Future Reviews and Report Tracker be noted.**

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Queries concerning these Minutes? Please contact Rosie Reid:  
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